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ATTORNEYS FOR CITATION
CORPORATION

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

x

In re Chapter 11

GENERAL MOTORS CORPORATION, *et al.*, Case No. 09-50026
(Jointly Administered)

Debtors.

x

**SUPPLEMENT TO OBJECTION BY CITATION CORPORATION TO DEBTORS'
PROPOSED ASSUMPTION AND ASSIGNMENT
OF EXECUTORY CONTRACTS**

Citation Corporation, on behalf of itself and its subsidiaries Citation Castings, LLC, Hi-Tech Corporation and Citation Marion (collectively, "Citation") files this supplement to its Objection (defined below) to Debtors' proposed assumption and assignment of alleged contracts with Citation, and in support of the Objection, Citation states:

Background

1. On June 1, 2009 ("Petition Date"), Debtors commenced these voluntary cases under chapter 11 of title 11 of the United States Code.
2. On June 2, 2009, Debtor filed a Motion under 11 U.S.C. §§ 105, 363(b)(f)(k), and (m) and 365 and Fed. R. Bankr. P. 2002, 6004, and 6006, to (I) Approve (A) The Sale Pursuant to the Master Sale and Purchase Agreement which Vehicle Acquisition Holdings, LLC, a U.S.

Treasury-Sponsored Purchasers, Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (B) The Assumption and Assignment of Certain Existing Contracts and Unexpired Leases; and (C) other Relief; and (II) Schedule Sale Hearing [Docket #92] (“Sale Motion”). On June 2, 2009, this Court entered an Order approving Debtors’ bidding procedures [Docket # 274], which includes a procedure regarding Debtors’ assumption and assignment of executory contracts.

3. On or about June 8, 2009, Citation received Debtors’ Notice of (I) Debtors’ Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property, and Unexpired Leases of Nonresidential Real Property and (II) Cure Amounts Related Thereto (“First Assignment Notice”), which indicates that Debtors intend to assume and assign certain agreements to which Citation Corporation, Citation Castings, LLC, Hi-Tech Corporation and Citation Marion and Debtors formerly were parties, and proposed a cure amount of \$125,129.03.

4. On June 12, 1009, Citation file its objection (“Objection”)[Docket #704] to the First Assignment Notice.

5. On or about July 10, 2009, Debtors served a second Assignment Notice which added two agreements to the First Assignment Notice and changed the proposed cure amount to (\$171,579.72).

6. Citation objects to the proposed assumption and assignment of any alleged contracts with Debtors because, prior to the Petition Date, Citation terminated its contracts with Debtors and Citation no longer has any obligations under any alleged contracts with Debtors. Because any alleged contracts with Debtors were terminated prepetition, any such contracts are not executory contracts that can be assumed and assigned under 11 U.S.C. § 365.

7. Citation is currently supplying Debtors with production parts postpetition under spot buy purchase orders issued by Debtors postpetition.

8. Furthermore, Citation is currently negotiating with Debtors regarding new postpetition contracts and remains willing to continue such negotiations.

Relief Requested

Citation, requests that the Court deny Debtors' request to assume and assign any alleged contracts with Citation.

Respectfully Submitted:

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